

Message Text

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ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01 ISO-00

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TRSE-00 AEC-11 CIAE-00 COME-00 INR-10 PA-04 USIA-15

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FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA PRIORITY

AMEMBASSY KINGSTON PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY TOKYO PRIORITY

AMEMBASSY LAGOS PRIORITY

AMCONSUL CURACAO PRIORITY

AMEMBASSY THE HAGUE PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY ROME PRIORITY

AMEMBASSY MEXICO PRIORITY

AMEMBASSY NASSAU PRIORITY

AMEMBASSY LA PAZ PRIORITY

AMEMBASSY NEW DELHI PRIORITY

AMEMBASSY SINGAPORE PRIORITY

AMEMBASSY QUITO PRIORITY

AMEMBASSY BRASILIA PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY VIENNA PRIORITY

AMEMBASSY CANBERRA PRIORITY

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AMEMBASSY PRETORIA PRIORITY

AMEMBASSY JIDDA PRIORITY

AMEMBASSY PANAMA PRIORITY

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AMEMBASSY CARACAS PRIORITY

AMEMBASSY LIMA PRIORITY

AMEMBASSY WARSAW PRIORITY

AMEMBASSY MADRID PRIORITY

AMEMBASSY ATHENS PRIORITY
AMEMBASSY MANILA PRIORITY
AMEMBASSY BERN PRIORITY
AMEMBASSY WELLINGTON PRIORITY
AMEMBASSY GUATEMALA PRIORITY
AMEMBASSY SANTIAGO PRIORITY
AMEMBASSY COPENHAGEN PRIORITY
AMEMBASSY BUENOS AIRES PRIORITY
AMEMBASSY TEGUCIGALPA PRIORITY
AMEMBASSY STOCKHOLM PRIORITY
AMEMBASSY TEL AVIV PRIORITY
AMEMBASSY DUBLIN PRIORITY
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AMEMBASSY HELSINKI PRIORITY
AMEMBASSY BRIDGETOWN PRIORITY
AMEMBASSY LIBREVILLE PRIORITY
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INFO AMCONSUL LOURENCO MARQUES
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E.O. 11652: N/A

TAGS: ENRG

SUBJECT: EXPORT CONTROLS ON PETROLEUM PRODUCTS

1. FOLLOWING IS TEXT OF DEPT OF COMMERCE PRESS RELEASE
ON PETROLEUM EXPORT CONTROLS ISSUED DEC. 13, 1973:

2. BEGIN TEXT: VALIDATED LICENSES WILL BE REQUIRED FOR THE
EXPORT OF CRUDE OILS AND 11 OTHER PETROLEUM COMMODITIES
DURING THE BALANCE OF 1973 TO ALL FOREIGN DESTINATIONS,
EFFECTIVE AT 12:01 A.M., EST, TOMORROW, DECEMBER 14,
SECRETARY OF COMMERCE FREDERICK B. DENT ANNOUNCED TODAY.

A LICENSING SYSTEM FOR EXPORTS OF PETROLEUM AND
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PETROLEUM PRODUCTS DURING CALENDAR YEAR 1974 WILL BE
DEVELOPED FOLLOWING CONSULTATIONS WITH REPRESENTATIVES
OF INDUSTRY AND FOREIGN GOVERNMENTS, SECRETARY DENT SAID.
"THIS SYSTEM WILL BE DESIGNED TO ASSURE CONTINUED
AVAILABILITY OF LIMITED DOMESTIC SUPPLIES WHILE PRESERVING
HISTORIC TRADE PATTERNS," HE SAID.

THE FOLLOWING PRODUCTS HAVE BEEN ADDED TO THE
DEPARTMENT OF COMMERCE'S COMMODITY CONTROL LIST UNDER
THE EXPORT ADMINISTRATION BULLETIN (EAB-OEA-106) PUBLISHED
TODAY (NUMBER OF SPECIFIC COMMODITIES IN PARENTHESES):

PETROLEUM (2), CRUDE OR PARTLY REFINED, INCLUDING

SHALE OIL AND TOPPED CRUDES; GASOLINE (4), INCLUDING TWO TYPES OF AVIATION GASOLINE, NATURAL GASOLINE, AND GASOLINE BLENDING AGENTS, NOT ELSEWHERE CLASSIFIED IN THE REGULATIONS; KEROSENE (1), EXCEPT KEROSENE-TYPE JET FUEL; JET FUEL (1); DISTILLATE FUELS OILS (1); RESIDUAL FUEL OILS (1); BUTANE (1), PROPANE (1); AND NATURAL GAS LIQUIDS (1), INCLUDING LIQUEFIED PETROLEUM GAS (LPG). (NOT INCLUDED IN THE LATTER IS LIQUEFIED NATURAL GAS (LNG) THE EXPORT CONTROL OF WHICH IS VESTED IN THE FEDERAL POWER COMMISSION.)

GENERALLY, FOR COMMODITIES OTHER THAN CRUDE OILS, LICENSES WILL BE ISSUED DURING THE BALANCE OF 1973 ON THE BASIS OF APPLICATIONS AGAINST ACCEPTED ORDERS CALLING FOR SHIPMENT ON OR BEFORE NEXT JANUARY 15.

EXPORTS OF CRUDE OILS WILL BE LICENSED FOR THE REST OF THIS YEAR TO THE EXTENT PERMISSIBLE UNDER THE ALASKAN PIPELINE ACT OF 1973. (THESE PROVISIONS GENERALLY PROHIBIT EXPORTS OF DOMESTIC-PRODUCED CRUDE OIL TRANSPORTED BY PIPELINE OVER FEDERAL RIGHTS-OF-WAY EXCEPT TO THE EXTENT THAT SUCH EXPORTS WOULD NOT DIMINISH THE TOTAL QUANTITY OR QUALITY OF PETROLEUM AVAILABLE TO THE UNITED STATES.)

LICENSES FOR THE 13 COMMODITIES WILL BE VALID FOR 30 DAYS.

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IN ORDER TO BE ELIGIBLE FOR ANY ALLOCATIONS ESTABLISHED FOR EXPORTS OF PETROLEUM OTHER THAN CRUDE OILS

DURING 1974, EXPORTERS WILL BE REQUIRED TO:

1. SUBMIT TO THE DEPARTMENT OF COMMERCE'S OFFICE OF EXPORT ADMINISTRATION ON OR BEFORE DECEMBER 27 A STATEMENT INDICATING (SEPARATELY FOR EACH FOREIGN COUNTRY) THE QUANTITIES OF EACH SEPARATE PETROLEUM COMMODITY (OTHER THAN CRUDE OILS) WHICH THE EXPORTER EXPORTED TO EACH COUNTRY DURING EACH CALENDAR MONTH OF 1971, 1972 AND THE FIRST SIX MONTHS OF 1973.

2. REPORT (AS PART OF A MONITORING SYSTEM STILL TO BE ESTABLISHED) ACTUAL EXPORTS AND UNFILLED OR PARTIALLY FILLED ORDERS FOR EXPORT OF AN EXPANDED LIST OF 41 PETROLEUM COMMODITIES, INCLUDING CRUDE OILS AND THE 11 PETROLEUM PRODUCTS COVERED IN THE LICENSING CONTROLS FOR THE BALANCE OF 1973.

SHIPMENTS OF PETROLEUM AND PETROLEUM PRODUCTS ON THE NEW CONTROL LIST FOR WHICH LOADING ABOARD AN

EXPORTING VESSEL HAS ACTUALLY COMMENCED AS OF 12:01 A.M., EST, TOMORROW MAY BE EXPORTED UNDER PREVIOUS GENERAL LICENSE PROVISIONS.

VALIDATED LICENSES FOR THE 11 PRODUCTS OTHER THAN THE TWO CRUDE OILS WILL BE ISSUED FOR QUALIFIED ORDERS ON THE BASIS OF 100 PERCENT OF THE UNFILLED BALANCE OF EACH CONTRACT.

LICENSES FOR CRUDE OILS WILL BE ISSUED ONLY UPON A SHOWING THAT THE EXPORT WILL NOT AFFECT THE TOTAL QUANTITY OR QUALITY OF PETROLEUM AVAILABLE TO DOMESTIC USERS, OR ON SPECIAL HARDSHIP GROUNDS.

FIRST QUARTER 1974 QUOTAS FOR COMMODITIES OTHER THAN CRUDE OILS WILL BE ANNOUNCED SHORTLY.

FOR THE FIRST TEN MONTHS OF 1973 EXPORTS OF ENERGY-
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RELATED PRODUCTS AVERAGED 43.3 THOUSAND BARRELS PER DAY. THIS COMPARES WITH CURRENT U.S. USE OF APPROXIMATELY 17 MILLION BARRELS A DAY AND DOMESTIC PRODUCTION OF APPROXIMATELY 11 MILLION BARRELS PER DAY. IT ALSO COMPARES TO EXPORTS OF 71,000 BARRELS A DAY IN CALENDAR 1970; 54.6 THOUSAND BARRELS IN 1971; AND 34.7 THOUSAND BARRELS PER DAY IN 1972.

THE AVERAGE DAILY EXPORTS DURING THE FIRST TEN MONTHS OF 1973 REPRESENT THREE-TENTHS OF ONE PERCENT (0.3 PERCENT) OF ESTIMATED 1973 DOMESTIC DEMAND FOR THESE

PRODUCTS AND EIGHT-TENTHS OF ONE PERCENT (0.8 PERCENT) OF OUR IMPORTS FOR THE SAME PERIOD. THE TOTAL EXPORT FOR THE FIRST TEN MONTHS WAS 13.2 MILLION BARRELS. TOTAL DOMESTIC PRODUCTION FOR THE SAME PERIOD WAS 3.3 BILLION BARRELS.

SIXTY-FOUR PERCENT OF U.S. EXPORTS IN THE FIRST TEN MONTHS OF 1973 WENT TO CANADA AND MEXICO. THE U.S. IMPORTS FROM CANADA, 394 MILLION BARRELS ANNUALLY, AND FROM MEXICO, TWO MILLION BARRELS. MUCH OF THE CANADIAN AND MEXICAN EXPORT IS THE RESULT OF THE RECIPROCAL PRACTICE BY THE TWO COUNTRIES OF SUPPLYING BORDER AREAS WHICH CANNOT READILY BE SUPPLIED BY THE RESPECTIVE COUNTRIES' INTERIOR FACILITIES. RUSH

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KINGSTON
LONDON
TOKYO
LAGOS
CURACAO
THE HAGUE

BONN
ROME
MEXICO
NASSAU
LA PAZ
NEW DELHI
SINGAPORE
QUITO
BRASILIA
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WELLINGTON
GUATEMALA
SANTIAGO
COPENHAGEN
BUENOS AIRES
TEGUCIGALPA
STOCKHOLM
TEL AVIV
DUBLIN
ALGIERS
HELSINKI
BRIDGETOWN
LIBREVILLE
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EC BRUSSELS INFO LOURENCO MARQUES
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